



COMMUTER CHOICE LEADERSHIP INITIATIVE

Background

A new business-government partnership, the Commuter Choice Leadership Initiative, is dramatically improving the way Americans get to and from work. Through the initiative, the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Transportation (DOT) are making commuter benefit programs as common as 401K plans.

Many of the country's top employers now offer employees help getting to work safely, on time, and free of commute-related stress, while realizing many direct and positive benefits to their bottom lines. Participating companies receive the designation "Commuter ChoiceSM Employer"—a mark of excellence for environmentally- and employee-friendly companies.

Commuter Choice Employers provide a diverse and comprehensive set of benefits such as tax-free transit or vanpool passes, telecommuting, shuttles to and from transit stations (provided directly by the company or contracted through a service), and carpool matching. Other options include preferred or reduced-cost parking for carpools and vanpools and compressed work schedules. Commuter Choice Employers offer a Guaranteed Ride Home, which provides participants with a ride at no charge if they need emergency transport home due to special circumstances (such as a sick child who needs to leave school).

Offering employees choices about how they get to work has many advantages. According to Margo Oge, director of EPA's Office of Transportation and Air Quality, "Reducing the amount of time workers spend in traffic is a tangible way that employers in America can help improve our environment. It also strengthens families; it's good for our communities and our quality of life." In fact, the environmental benefits are significant: for each Commuter Choice Employer that employs 1,000 workers, 13 tons of noxious air pollutants will be avoided each year.

Studies show companies that minimize the stress and expense of commuting are viewed as more attractive places to work, have a happier workforce, and lower turnover rates. Additionally, eight out of ten American workers believe commuter assistance is a valuable employee benefit.

Companies are finding that the return on commuter benefits is worth the investment. "Many Commuter Choice programs are of no- or low-cost to employers," says Nicholas Ramfos, director of Commuter Connections, a network of commuter transportation organizations coordinated by the Metropolitan Washington Council of Governments. Ramfos adds, "Companies are actually turning rush hour into a competitive advantage."

At the Kaiser Permanente headquarters in Oakland, CA, one-third of the company's 2,600 employees commute by choosing a more environmentally-friendly option than driving alone. Transportation benefits vary across facilities and are tailored to meet specific regional needs of employees. "Providing a comprehensive commuter benefits program that includes a pre-tax savings plan is a positive step toward improving traffic flow and public health," says Mitch Saruwatari, transportation systems manager for Kaiser Permanente. "I strongly encourage other companies to join the Commuter Choice Leadership Initiative to reduce traffic- and vehicle-generated emissions in their communities."

The employer and participating employees also save on taxes, since they pay no federal income taxes or payroll taxes on these benefits. Several states offer tax credits to employers that have commuter benefit programs. Typically, tax savings alone outweigh the small implementation costs. Additional savings accrue from the reduction in parking demand. For example, Walt Disney Company credits its Commuter Choice program with eliminating the need for \$2 million in new parking.

Hundreds of U.S. companies have joined the initiative, including Nike Inc., Yahoo! Inc., Chevron, Eddie Bauer, and many others. For more information about the Commuter Choice Leadership Initiative, call the Commuter Choice voicemail request line at (888) 856-3131 or email commuterchoice@epa.gov.